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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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By
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St. Petersburg, FL

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly period ended June 30, 1992

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934.

For the transition period from _____ to _____

Commission file number 0-12743

PARK COMMUNICATIONS, INC.

(Exact name of the registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation of organization)

16-0986694

(IRS Employer Identifi-
cation No.)

Terrace Hill, Ithaca, NY

(Address of principal executive offices)

14850

(Zip Code)

Registrant's telephone number, including area code (607) 272-9020

Indicate by checkmark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to such
filing requirements for the past 90 days. Yes x No _____

As of July 30, 1992, 20,700,167 shares of common stock, \$.16 2/3 par
value, were outstanding.

Form 10-Q QUARTERLY REPORT - JUNE 30, 1992

PARK COMMUNICATIONS, INC. AND SUBSIDIARIES

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

	<u>Page(s)</u>
Item 1. Financial Statements.....	2-5
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.....	6

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.....	7
Signatures.....	8

Item 1. Financial Statements

PARK COMMUNICATIONS, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
(Dollars in Thousands Except Share and Per Share Amounts)

	June 30, 1992 (Unaudited)	December 31, 1991
Assets		
Current Assets:		
Cash, cash equivalents and short-term investments	\$103,651	\$100,471
Accounts receivable, less allowance for doubtful accounts of \$1,030 in 1992 and \$1,183 in 1991..	16,729	17,771
Inventory.....	1,433	1,592
Film contracts.....	2,284	1,893
Consulting/non-compete contracts.....	1,095	1,178
Other.....	2,356	4,083
Total current assets.....	<u>127,548</u>	<u>126,988</u>
Property, Plant and Equipment.....	135,677	126,828
Less accumulated depreciation and amortization...	<u>(68,078)</u>	<u>(64,868)</u>
	67,599	61,960
Network contracts.....	10,947	8,538
Intangible assets, less amortization of \$66,506 in 1992 and \$63,033 in 1991.....	<u>97,737</u>	<u>99,155</u>
Film contracts.....	2,246	1,972
Consulting/non-compete contracts.....	5,446	5,972
Other assets.....	1,243	1,306
	<u>\$312,766</u>	<u>\$305,891</u>
Liabilities and Shareholders' Equity		
Current Liabilities:		
Current maturities of long-term debt.....	\$ 1,849	\$ 1,802
Current maturities of film contracts.....	2,193	1,859
Accounts payable.....	1,431	1,613
Consulting/non-compete contracts.....	1,098	1,167
Interest.....	1,114	1,111
Income taxes.....	3,340	3,573
Accrued liabilities.....	3,878	3,491
Deferred income.....	2,711	2,619
Total current liabilities.....	<u>17,614</u>	<u>17,235</u>
Long-term debt.....	54,452	54,660
Consulting/non-compete contracts.....	5,563	6,097
Deferred income taxes.....	<u>10,350</u>	<u>10,440</u>
Total liabilities.....	<u>87,979</u>	<u>88,432</u>
Shareholders' Equity:		
Common stock-par value \$.16 2/3 per share:		
Authorized 32,000,000 shares		
Issued and outstanding 20,700,167 shares.....	3,451	3,451
Paid in capital.....	13,781	13,781
Retained earnings.....	<u>207,555</u>	<u>200,227</u>
Total shareholders' equity.....	<u>224,787</u>	<u>217,459</u>
	<u>\$ 312,766</u>	<u>\$ 305,891</u>

See Notes to Consolidated Financial Statements

PARK COMMUNICATIONS, INC. AND SUBSIDIARIES
Consolidated Statements of Income and Retained Earnings
(Dollars in Thousands Except Per Share Amounts)

	Three Months Ended June 30		Six Months Ended June 30	
	1992	1991	1992	1991
	(Unaudited)		(Unaudited)	
Revenue:				
Broadcasting.....	\$ 19,649	\$ 17,709	\$ 36,463	\$ 31,851
Newspapers.....	<u>21,203</u>	<u>21,287</u>	<u>40,242</u>	<u>40,481</u>
Gross revenue.....	40,852	38,996	76,705	72,332
Less agency and national representative commissions.....	<u>2,929</u>	<u>2,623</u>	<u>5,347</u>	<u>4,604</u>
Net revenue.....	<u>37,923</u>	<u>36,373</u>	<u>71,358</u>	<u>67,728</u>
Operating expenses:				
Cost of sales.....	14,597	14,866	28,962	29,220
Selling, general and administrative.....	<u>11,603</u>	<u>10,858</u>	<u>22,706</u>	<u>21,630</u>
	<u>26,200</u>	<u>25,724</u>	<u>51,668</u>	<u>50,850</u>
Operating income before depreciation and amortization.....	<u>11,723</u>	<u>10,649</u>	<u>19,690</u>	<u>16,878</u>
Depreciation and amortization:				
Depreciation.....	1,710	1,610	3,398	3,220
Amortization.....	1,212	1,177	2,410	2,276
Amortization of excess of cost over net assets acquired.....	<u>617</u>	<u>612</u>	<u>1,234</u>	<u>1,224</u>
	<u>3,539</u>	<u>3,399</u>	<u>7,042</u>	<u>6,720</u>
Operating income.....	8,184	7,250	12,648	10,158
Interest expense.....	(946)	(1,010)	(1,924)	(2,025)
Interest income.....	1,270	1,545	2,662	3,153
Other income (expense).....	<u>79</u>	<u>54</u>	<u>(516)</u>	<u>(316)</u>
Income before income taxes.....	8,587	7,839	12,870	10,970
Provision for income taxes.....	<u>3,654</u>	<u>3,363</u>	<u>5,542</u>	<u>4,932</u>
NET INCOME.....	4,933	4,476	7,328	6,038
Retained earnings, beginning of period.....	<u>202,622</u>	<u>189,934</u>	<u>200,227</u>	<u>188,372</u>
RETAINED EARNINGS, end of period.....	<u>\$207,555</u>	<u>\$194,410</u>	<u>\$207,555</u>	<u>\$194,410</u>
Earnings per share:				
Primary.....	<u>\$.24</u>	<u>\$.22</u>	<u>\$.35</u>	<u>\$.29</u>
Fully diluted.....	<u>\$.24</u>	<u>\$.21</u>	<u>\$.35</u>	<u>\$.29</u>

See Notes to Consolidated Financial Statements

PARK COMMUNICATIONS, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(Dollars in Thousands)

	Six Months Ended June 30	
	1992	1991
Operating Activities:		
Net Income.....	\$ 7,328	\$ 6,038
Adjustment to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization.....	7,042	6,720
Amortization of film contract rights and consulting/non-compete contracts included in operating expenses.....	1,954	1,990
Payments on film contract liabilities.....	(1,336)	(1,249)
Payments on consulting/non-compete contracts.....	(603)	(675)
Provision for losses on accounts receivable.....	263	512
Provision for deferred income taxes.....	(92)	(135)
Loss on sale of property, plant and equipment.....	12	1
Changes in operating assets and liabilities net of effects from purchase of acquired companies:		
Accounts receivable.....	1,966	708
Inventory and other assets.....	2,170	927
Accounts payable and accrued liabilities.....	(1,224)	(920)
Deferred income.....	92	(105)
Net cash provided by operating activities.....	<u>17,572</u>	<u>13,812</u>
Investing Activities:		
Purchases of short-term investments.....	(67,500)	(76,950)
Proceeds from short-term investments.....	54,600	59,450
Purchases of property, plant and equipment.....	(2,936)	(1,822)
Purchases of acquired companies, net of cash acquired.....	(10,347)	---
Proceeds from sale of property, plant and equipment.....	43	6
Net cash (used) in investing activities.....	<u>(26,140)</u>	<u>(19,316)</u>
Financing Activities:		
Principal payments on long-term debt.....	(1,152)	(1,069)
Net cash (used) by financing activities.....	<u>(1,152)</u>	<u>(1,069)</u>
(Decrease) in cash and cash equivalents.....	(9,720)	(6,573)
Cash and cash equivalents, beginning of period.....	<u>18,621</u>	<u>13,515</u>
Cash and cash equivalents, end of period.....	<u>\$ 8,901</u>	<u>\$ 6,942</u>
Summary:		
Cash and cash equivalents as above.....	\$ 8,901	\$ 6,942
Short-term investments.....	94,750	88,150
	<u>\$103,651</u>	<u>\$ 95,092</u>

See Notes to Consolidated Financial Statements

PARK COMMUNICATIONS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

1. Earnings Per Share

Earnings per share computations are as follows (dollars in thousands except per share amounts):

	Three Months Ended June 30		Six Months Ended June 30	
	<u>1992</u>	<u>1991</u>	<u>1992</u>	<u>1991</u>
<u>Primary:</u>				
Average Shares	<u>20,700</u>	<u>20,700</u>	<u>20,700</u>	<u>20,700</u>
Net income	<u>\$4,933</u>	<u>\$4,476</u>	<u>\$7,328</u>	<u>\$6,038</u>
Per share amount	<u>\$.24</u>	<u>\$.22</u>	<u>\$.35</u>	<u>\$.29</u>
<u>Fully diluted:</u>				
Average shares outstanding	20,700	20,700	20,700	20,700
Assumed conversion of dilutive 6.875% convertible subordinated debentures	<u>2,609</u>	<u>2,609</u>	<u>---</u>	<u>---</u>
Totals	<u>23,309</u>	<u>23,309</u>	<u>20,700</u>	<u>20,700</u>
Net income	\$4,933	\$4,476	\$7,328	\$6,038
Add 6.875% convertible subordinated debenture interests, net of taxes	<u>575</u>	<u>521</u>	<u>---</u>	<u>---</u>
Totals	<u>\$5,508</u>	<u>\$4,997</u>	<u>\$7,328</u>	<u>\$6,038</u>
Per share amount	<u>\$.24</u>	<u>\$.21</u>	<u>\$.35</u>	<u>\$.29</u>

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

1992 compared to 1991

Three Months Ended June 30

For the second quarter of 1992, the Company's gross revenue increased \$1,900,000 (5%) compared to the second quarter of 1991. The television division's gross revenue increased \$2,100,000 (16%) due primarily to the acquisition in January, 1992 of WTVQ-TV in Lexington, Kentucky. The newspaper division's revenue declined \$100,000 from the same quarter last year. The radio division's gross revenue decreased \$100,000 (2%).

Operating income before depreciation and amortization increased \$1,100,000 (10%) compared to the second quarter of 1991. The television division's operating income increased \$600,000 (14%) from last year's second quarter primarily due to the WTVQ-TV acquisition and reduced operating expenses. The newspaper division's operating income increased \$600,000 (13%) due to managed reduction of operating expenses. The radio division's operating income decreased \$200,000 (17%) from the second quarter of 1991.

Net income for the second quarter of 1992 increased \$500,000 (10%).

Operating cash flow (net income plus depreciation and amortization) increased \$600,000 (8%) in the second quarter of 1992 from the second quarter of 1991.

Six Months Ended June 30

For the first six months of 1992, the Company's gross revenue increased \$4,400,000 (6%) compared to the first six months of 1991. The television division's gross revenue increased \$4,100,000 (19%) due to the acquisition in January, 1992 of WTVQ-TV in Lexington, Kentucky and improved advertising revenues. The radio division's gross revenue increased \$500,000 (5%). The newspaper division's gross revenue decreased \$200,000 (1%) from the first six months of 1991.

Operating income before depreciation and amortization increased \$2,800,000 (17%) compared to the first six months of 1991. The television division's operating income increased \$1,600,000 (24%) due to the reasons discussed above and successful management of its operating expenses. The newspaper division's operating income increased \$1,000,000 (11%) from the same period last year due to managed reduction of operating expenses. The radio division's operating income increased \$300,000 (18%).

Net income for the first six months of 1992 increased \$1,300,000 (21%).

Operating cash flow (net income plus depreciation and amortization) increased \$1,600,000 (13%) in the first quarter of 1992 from the first quarter of 1991.

Liquidity

As in the past, the Company's current dividend policy is to retain its earnings for use in its business and not to pay cash dividends.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

- (a) Exhibits - Not applicable
- (b) Reports on Form 8-K - There were no reports on Form 8-K required to be filed during the second quarter ended June 30, 1992.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PARK COMMUNICATIONS, INC.

Date July 30, 1992

ROY H. PARK
Roy H. Park
Chairman of the Board of Directors
and Chief Executive Officer

Date July 30, 1992

WRIGHT M. THOMAS
Wright M. Thomas
President, Chief Operating Officer,
Treasurer, Assistant Secretary and
Director (Principal Financial Officer)

Date July 30, 1992

RANDEL N. STAIR
Randel N. Stair
Vice President - Controller and
Assistant Secretary (Principal
Accounting Officer)